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<u>REMARKS</u>

Claims 29, 31-33 and 35-40, as amended, remain herein. Claims 29 and 33 have been amended for clarity. Page 11, lines 6-12 of applicants' specification provides support for the amended claims and specifically for applicants' claimed "decode key."

1. Claims 29, 31-33 and 35-40 were rejected under 35 U.S.C. § 103(a) over O'Boyle '329, Tanabe '767 and Arii '776, in view of Waters '589.

Applicants' claimed content reproducing device encodes accounting information with a cipher key recorded in an optical disk. The content reproducing device communicates identification information and accounting information to a server which decodes the encoded accounting information. The server selects a decode key that corresponds to the identification information and decodes the encoded accounting information with the selected decode key.

When the identification information is not valid, the decode key that corresponds to the identification information is not selected at the server and the encoded accounting information is not decoded. When the cipher key is not valid, the encoded accounting information is not decoded by the selected decode key that corresponds to the identification information. Accordingly applicants' claimed invention has the remarkable benefit of strong security so that only when both of the identification information and the cipher key are valid, the encoded accounting information can be decoded.

On the contrary, the O'Boyle '329 system, for the purpose of improving the security of a credit card with a holographic pattern, stores an encrypted account access identification number on the credit card as magnetic data and as optical data. (O'Boyle Fig. 11a, "encode algorithm"). After

reading the encrypted account access identification number magnetically and optically, and combining the two data into an original encrypted account access identification number, the O'Boyle system compares the original encrypted account access identification number with reference encryption data stored in another media and judges whether the credit card is valid, i.e., only when the account access identification number is valid. (O'Boyle Fig. 8, Fig. 11b, and column 10, line 1-line 41).

O'Boyle '329 does <u>not</u> disclose a special cipher key, and both encryption and decryption, but handles or stores an encrypted account access identification number after encryption by dividing the encryption (magnetic or optical storing), or separating (reference encryption stored in another media) as the storing place for the encryption.

Applicants' claimed invention is distinct over O'Boyle '329 in at least the following points: First, applicants' claimed invention uses a cipher key that is recorded in an optical disk in the form of stripe patterns. O'Boyle '329 does <u>not</u> disclose or suggest any cipher key like applicants'. O'Boyle '329 is silent about any kind of cipher key. Second, applicants' claimed invention encodes accounting information along with the cipher key recorded in the optical disk. O'Boyle '329 does <u>not</u> disclose or suggest a process of encryption like that claimed by applicants. (see again O'Boyle Fig. 10 and Fig. 11a). Third, applicants' claimed invention selects a decode key that corresponds to the identification information unique to the optical disk, and decodes the encoded accounting information with the selected decode key. O'Boyle '329 does <u>not</u> disclose or suggest a process of decoding like that claimed by applicants (see again O'Boyle Fig. 8 and Fig. 11b).

The three above-discussed distinctive elements and functions enable applicants' claimed invention to achieve strong encryption of the accounting information by the cipher key, which is

difficult to counterfeit because it is recorded in the optical disk. In addition, by selecting a decode key that corresponds to the identification information unique to the optical disk, the security level is further improved. Because the encoded accounting information can be decoded only when both the identification information and the cipher key are valid, stronger security is realized by the combined effects of both encryption and decoding. In contrast, O'Boyle '329 does <u>not</u> disclose or teach any elements or functions of the above-discussed cipher key, encryption and decoding, and has no benefit of higher security to protect accounting information like applicants' claimed invention.

Further, none of O'Boyle '329, Tanabe '767 or Arii '776 discloses the stripe patterns of applicants' claimed invention. Applicants' stripe patterns are made by laser trimming for each disk, and are very difficult to counterfeit. The identification information and cipher key are recorded in the stripe patterns, and the encryption of the accounting information using the identification information is provided a higher security level. The patterns of Tanabe '767 are made by etching, which is not unique to each disk and easy to counterfeit. In contrast, the stripe patterns of applicants' claimed invention are made by laser trimming of a reflective layer in each disk, which provides a unique stripe pattern for each disk.

Arii '776 and Waters '589 do not disclose or suggest a stripe pattern made by laser trimming.

Tanabe '767, Arii '776 and Waters '589 all fail to provide the deficiencies of O'Boyle '329.

Thus there is no disclosure or teaching in any of O'Boyle '329, Tanabe '767, Arii '776 and Waters '589, or anything else in this record, of all elements of applicants' claimed invention. Nor there is any disclosure or teaching in any of O'Boyle '329, Tanabe '767, Arii

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'776 and Waters '589 or anything else in this record, that would have suggested combining any portions thereof, or modifying same, to anticipate or suggest applicants' claimed invention to one of the ordinary skill in the art.

Accordingly, all claims 29, 31-33 and 35-40 are now fully in condition for allowance and a notice to that effect is respectfully requested. The PTO is hereby authorized to charge/credit any fee deficiencies or overpayments to Deposit Account No. 19-4293. If further amendments would place this application in even better condition for issue, the Examiner is invited to call applicants' undersigned attorney at the number listed below.

Respectfully submitted,

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